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FEDERAL COMMUNICATIONS COMMISSION
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Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of

Implementation of Sections 309(j)

of the Communications Act

Competitive Bidding

)

) PP Docket No. 93-253

)

Reply Comments

William D. Jimerson,
Representative of the
National Minority PCS Association

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1.0 SUMMARY

The National Minority and Women PCS Coalition (the "Respondent" or "NMPC") has reviewed the comments to the proposal of the Federal Communications Commission("FCC") regarding the rules for the 1994 auction of electromagnetic spectrum for Personal Communications Services("PCS"). The following reply comments support the recommendations and comments of the members of the NMPC regarding Gen. Docket No. 93-253. The NMPC strongly believes that the Commission must adopt policy that facilitates several minority entities obtaining licenses and allows those entities to be competitive in the post auction PCS business.

The NMPC is a collection of minority owned and operated companies within the telecommunications and computer industries that intend to own and/or participate in the operation of PCS networks.

The Purpose of the NMPC is:

The "Purpose" of the Coalition is to assist in the development and provisioning of minority and women owned company participation in a National PCS Network. The elements required to accomplish this Purpose include: early and continued outreach to capable innovators; early development of an equitable access structure to any and all network components; nurturing of and support by State and Federal regulators."

The NMPC supports the following items reflected in comments submitted in Docket 93-253 on Competitive Bidding for PCS spectrum.

- ESTABLISHMENT OF A DESIGNATED ENTITY CATEGORY

The Coalition supports the creation of a Designated Entity category for the PCS competitive bidding process. The category would include minority owned business, women owned business, small business, and rural telephone companies¹

¹See comments of The Alliance of Rural Area Telephone and Cellular Service Providers page 2.

- SET ASIDE BANDS C AND D FOR DESIGNATED ENTITIES

The Coalition supports the exclusive bidding for Bands C and D by Designated Entities.

- ESTABLISHMENT OF ADDITIONAL PREFERENCES FOR MINORITY AND WOMEN OWNED FIRMS²

The Coalition supports the comments of NABOB that call for additional preferences for minority and women owned companies.

- THE COMMISSION SHOULD NOT INCORPORATE SEVERABILITY CLAUSES BETWEEN GROUPS OF LICENSES FOR THE PURPOSE OF ALLOWING "HOLD UP" OF THE SET ASIDE LICENSES WHILE NON-SET ASIDE LICENSES BEGIN BUILDOUT

The Coalition opposes the MCI position that would require the Commission to issues licenses in the non-Designated Entity bands if licenses in the two Designated entity bands (B and C) were subject to legal delay³.

- SPECIAL CREDITS FOR CONSORTIA WITH MINORITY PARTICIPATION

The Coalition supports the position of the Minority Business Enterprise Legal Defense and Education Fund that suggests awarding bid credits to consortia that have significant levels(25%) of minority ownership.

²See comments of the National Association of Black Owned Broadcasters, Inc. page 14.

³See comments of MCI page 15.

- AUCTION MARKET BID SEQUENCE THAT BEGINS WITH LARGEST MTA TO SMALLEST MTA AND LARGEST BTA TO SMALLEST BTA WITHIN EACH MTA.
- THE USE OF LETTERS OF CREDIT FOR SPECIAL PREFERENCE ENTITIES IN LIEU CASH BID DEPOSITS AND A DEFERMENT OF ALL UP FRONT PAYMENTS FOR MINORITY AND WOMEN OWNED ENTITIES THAT SUPPLY LETTERS OF CREDIT FROM CREDITABLE FINANCIAL INSTITUTIONS⁴
- TAX CERTIFICATES TO FACILITATE MINORITY DEVELOPMENT OF PCS

The Coalition supports the use of tax certificates to foster investment in minority owned PCS companies. Further, the Coalition supports the use of tax certificates to assist in the relocation of incumbent microwave users⁵.

- PROHIBITION OF FRONTING

The Coalition supports the stringent guidelines to deter and punish illegal fronting of entities attempting to receive designated entity status⁶.

- INNOVATOR'S AND INFRASTRUCTURE PREFERENCES AS DEFINED BY CALCELL WIRELESS, INC.⁷.
- RESALE OF LICENSES BY DESIGNATED ENTITIES BASED ON MARKET BUILD OUT

The transferability of PCS licenses obtained through the designated entity status should be subject to transferability guidelines that penalize transfer of designated entity licenses to non-designated entities until one third of the market has been built out.

⁴Observation: The SBAC report findings are consistent with MBELDEF's report on discrimination practices in the telecommunications industry." See Minority Business Enterprise Legal Defense and Education Fund, Inc. page 10.

⁵See comments of the National Association of Black Owned Broadcasters and Alliance Telcom, Inc.

⁶See comments by Telmarc Telecommunications Inc. page 12.

⁷Infrastructure Preferences represent a type of "Innovator's preference" that not only provides ownership participation opportunities for designated groups, but also provides incentives for them to employ, train disadvantaged individuals and source capital equipment from women and minority owned firms." See Calcell Wireless comments, page 2.

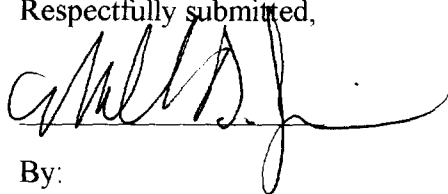
- INCENTIVES FOR DESIGNATED ENTITY PARTNERING WITH LARGER COMPANIES

The Coalition supports incentives for larger companies that partner with companies in the designated entity category. Such incentives should incorporate technology transfer requirements and financial assistance. The Coalition supports the Minority Business Enterprise Legal Defense and Education Fund comment that would afford a bid credit to larger companies that partnered with designated entities.

- APPLICATION OF MINORITY PREFERENCES ACROSS ALL SPECTRUM OF LICENSING⁸

⁸See comments of National Association of Black Owned Broadcasters, page 11.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W.D. Jimerson', written over a horizontal line.

By:

William D. Jimerson
The National Minority PCS Association

November 30, 1993